

State of Hawaii  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of State Parks  
Honolulu, Hawaii

May 25, 2007

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Subject: Request for Approval for a One-Year Extension of a Lease to the Friends of Heeia State Park, and Approval to Issue a Public Notice for a Request for Qualification/Request for Proposal,(RFQ/RFP) for Long-Term Lease for Heeia State Park, Oahu

The Friends of Heeia State Parks (Friends), a non-profit 501 (c) (3) organization, have requested a 25-year lease for Heeia State Park. The Friends have been leasing facilities at the park since 1982 under a series of agreements, starting with one-year lease, progressing up to a 10-year lease, and now are operating on a three-year lease which runs through August, 2007. In order to continue their long-range planning, and pursue grant opportunities, the Friends are seeking a long-term lease for the entire park area. Under Section 171-43.1, HRS, the Board is authorized to enter into lease agreements by direct negotiations with eleemosynary organizations which are certified to be tax exempt by the Internal Revenue Service.

The Friends' current lease is for the buildings at the makai end of the park; the Visitor Center (10,000± s.f.) and the nearby Exhibit Hall (1,274 ± s.f.). The lease rent is currently \$144/annually. The area is used for operating cultural, educational and recreational programs for school groups and the general public.

The Friends generate revenue in several ways; rental of the visitor center for private parties, donations, membership dues, retail sales and grants. Several other commercial activities have been pursued in the past, but did not prove worthwhile. With the short term remaining on their current lease, it has been more difficult to secure grant funding.

The Friends' programs have included collaborative projects with a number of schools, community organizations and agencies. Projects which they have undertaken in the past include

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water quality monitoring, stream clean-ups, planting indigenous species, ethnobotany, and canoe building. The visitor center is made available to community organizations for educational, cultural and recreational programs at no charge.

In August, 2002, the Board considered a request to grant a 20-year lease to the Friends for the two buildings they are currently leasing. Interest in the lease was expressed by two organizations and a number of people expressed concern and the issue was discussed at length. The Board deferred action and directed staff to work with the Friends and the other groups expressing their interest and concern for the area, and report back to the Board with recommendations.

Subsequently, following discussions with the interested groups, no general accord was reached. During this period, the department decided to look at the area in a regional context, and develop a plan which considers all the surrounding lands. Accordingly, at the meeting of April 8, 2004, the Board approved a three-year extension of the Friends lease.

Following this decision, a planning process for the entire Heeia Ahupuaa was initiated. This process was managed by the University of Hawaii Sea Grant Program. This process did not produce a plan, and the State park planning position which would have worked on this project was eliminated. Therefore, no new plan has been developed.

Staff has been discussing a new lease with the Friends. Recently the Division has received a letter of interest from one community organization, and a proposal for a long-term lease from another.

In that light, in order to allow a public process and explore the range of proposals from interested groups, staff feels it is best to pursue a RFQ/RFP process for the management of this park. In order to provide continuity of management and ongoing programs, staff will be recommending an extension of the Friends lease.

The consideration for a long-term lease will include all or part of the park as well as the facilities currently part of the lease.

#### RECOMMENDATION:

1) That the Board approve a one-year lease for the Friends of Heeia State Park for the two buildings they are now leasing subject to the terms and conditions of the existing lease.

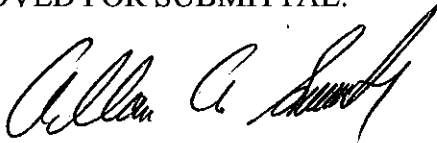
- 2) That the Board finds that it is in the public's best interest to negotiate to find an offer to operate and maintain public recreational and interpretive facilities and programs at Heeia State Park.
- 3) Authorize the Chairperson to do the following:
  - (i) appoint members to an evaluation committee that will establish the criteria to evaluate the proposals and select an Offeror;
  - (ii) issue a Request for Qualifications/Request for Proposals (RFQ/RFP) pursuant to section 171-59(a), HRS, for the selection of an Offeror;
  - (iii) accept and evaluate proposals submitted by prospective Offeror;
  - (iv) select the best Offeror.

Respectfully submitted,



DANIEL S. QUINN  
State Parks Administrator

APPROVED FOR SUBMITTAL:



ALLAN A. SMITH, Chairperson